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## Weekly Hog Report

October 20, 2014

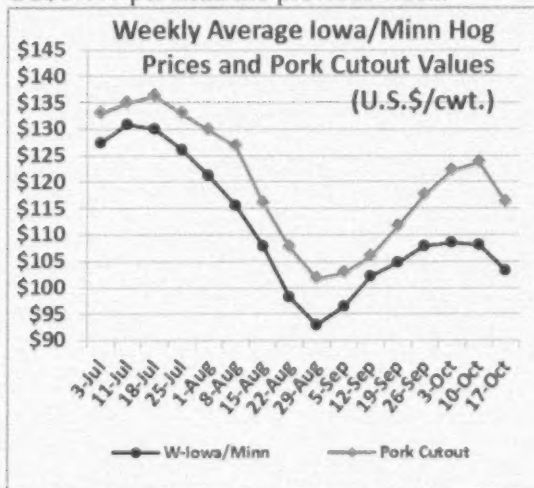
### Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were lower last week and ended Friday lower, week-over-week. Hog prices on Friday averaged US\$98.19 per cwt, down US\$9.10 per cwt or 8.5 per cent from US\$107.29 per cwt the previous Friday. The negotiated base price for the week averaged US\$103.19 per cwt, down US\$4.76 per cwt or 4.4 per cent from US\$107.95 per cwt the previous week. Higher weekly U.S. hog slaughter numbers and weaker pork cutout values were the primary reasons for cash slaughter weight hog market prices moving lower, which is normal in the fourth quarter.

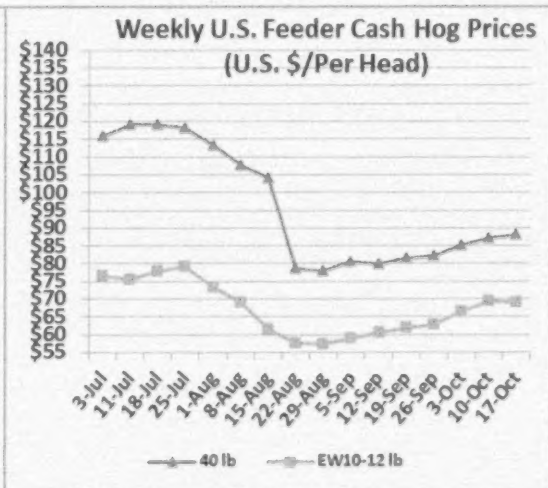
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday October 17, 2014 was \$205.91 per ckg, down \$11.57 per ckg or 5.3 per cent from \$217.48 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged \$214.64 per ckg, down \$6.49 per ckg or 2.9 per cent from the previous weeks' average price of \$221.13 per ckg. The Canadian dollar was volatile last week and edged lower to close Friday at 88.68 cents, down 0.47 cents from the previous Friday's close of 89.15 cents.

### Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US\$69.10 per head, down US\$0.33 per head from US\$69.43 per head the previous week. Feeders (40lb) were US\$87.92 per head, up US\$0.75 per head from US\$87.17 per head the previous week.



Source: LMIC

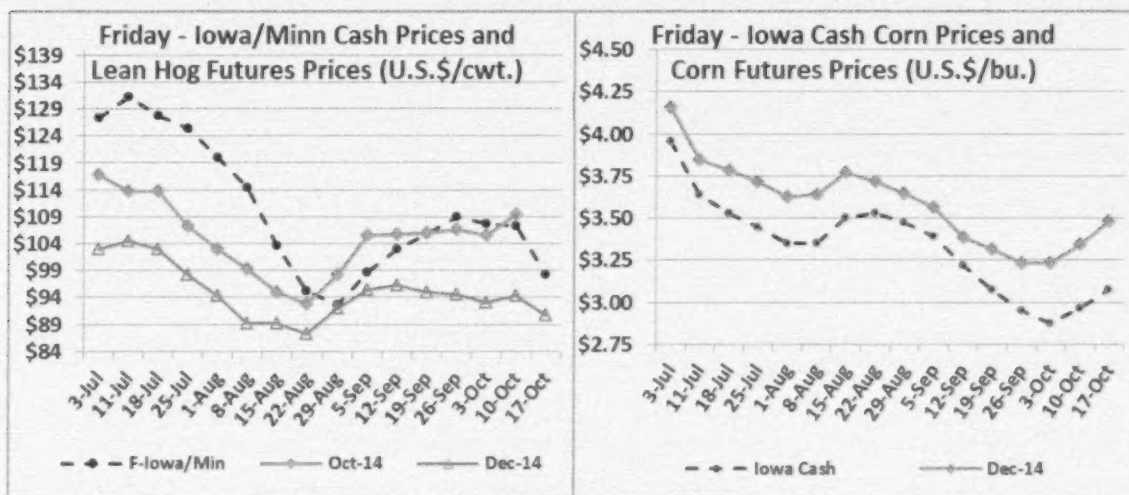


Source: LMIC

## Futures Markets

Lean hog futures prices were lower last week with nearby contracts down almost \$4 per cwt. The December contract decreased US\$3.825 per cwt to settle Friday at US\$98.270 per cwt, while the February 2015 contract decreased US\$3.675 per cwt to settle Friday at US\$87.550 per cwt.

The nearby corn, wheat, soybean and gold futures prices were higher last week, while crude oil prices continued lower, week-over-week.



Source: CME

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Iowa cash corn prices moved higher over the week increasing 11 cents per bushel to end Friday at US\$3.07 per bushel. The December and March corn futures contracts were also higher with the December contract increasing 14 cents per bushel to settle Friday at US\$3.48 per bushel, while the March 2015 corn futures contract increased over 14 cents per bushel to settle Friday at \$3.61¼ per bushel.

## Hogs Slaughtered

U.S. hogs slaughtered under federal inspection last week ending October 18 were estimated at 2.180 million head, up 2.1 per cent from 2.136 million head the previous week, but down 4.8 per cent from 2,290 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks averaged 2.122 million head, down 5.4 per cent from 2.244 million head the same four week period a year ago. Weekly U.S. hog slaughter numbers reached their highest levels since January 2014.

In Canada, federal and provincial hog slaughter numbers for the week ending October 11, 2014 were estimated at 409,802 head, up 0.4 per cent from 408,036 head the previous week, but down 4.5 per cent from 429,058 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending October 11 were estimated to average 413,967 head, down 2.3 per cent from 423,488 head over the same period a year ago.

## Meat Production

U.S. pork production for the week ending October 18 was estimated at 463.5 million lb., up 2.2 per cent from 453.6 million lb. the previous week, but down 3.0 per cent from

477.6 million lb. the same week a year ago. Pork production over the last four weeks ending October 18 was estimated to average 451.4 million lb., down 2.8 per cent from 464.3 million lb. over the same four week period a year ago.

U.S. beef production for the week ending October 18 totaled 463.6 million lb., up 0.7 per cent from 460.2 million lb. a week ago, but down 6.9 per cent from 497.7 million lb. over the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending October 11, 2014, was estimated at 2.0054 billion lb., down slightly from 2.0058 billion lb. over the same four weeks a year ago, and down 1.6 per cent year-to-date.

### United States Weekly Meat Production

(Oct. 11) Four Week Average - Million Lb.			Percent Change	
	2013	2014	4wk. 2014	YTD 2014
Pork	456.1	443.7	-2.7%	-1.2%
Beef	499.5	468.6	-6.2%	-5.5%
Chicken	924.6	951.9	3.0%	0.4%
Turkey	125.5	141.2	12.5%	-2.0%
<b>Total</b>	<b>2,005.8</b>	<b>2,005.4</b>	<b>-0.02%</b>	<b>-1.58%</b>

Source: LMIC

### Cutout Values

U.S. pork cutout values for the week ending October 18, 2014 averaged US\$116.10 per cwt, down US\$7.55 per cwt or 6.1 per cent from US\$123.65 per cwt from the previous week.

Average beef cutout values (Choice 600-900 lb.) for the week ending October 18 averaged US\$249.26 per cwt, up US\$4.00 per cwt from the average price of US\$245.26 per cwt from the previous week.

### United States Pork Exports

United States exported 162,992 metric tons of pork plus pork variety meats in August 2014, down 5.9 per cent from 173,270 metric tons in July 2014, and down 6.5 per cent from 174,281 metric tons in August 2013. By dollar amount, U.S. pork exports in August 2014 were US\$529.9 million, down 7.6 per cent from US\$573.5 million in July 2014, but up 5.7 per cent from US\$501.1 million in August 2013. Higher pork values in August 2014 have helped to increase sales by dollar value compared to August 2013. For the first eight months of 2014, U.S. pork sales have totaled just over US\$4.5 billion, up 15.0 per cent by sales value compared to the first eight months of 2014. By volume, U.S. pork exports from January to August 2014 totaled 1.482 million metric tons, up 5.5 per cent compared to the same period in 2013. (Source: U.S. Meat Export Federation)

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